



AUDIT

OF

DECENTRALIZED DIGITAL INITIATIVES

IN

UNDP

Report No. 2288
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Report on the Audit of Decentralized Digital Initiatives in UNDP Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of decentralized digital initiatives in UNDP from 16 November to 18 December 2020. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas:

- (a) Governance
- (b) Impact on corporate processes regarding information technology development

The audit covered activities regarding decentralized digital initiatives conducted in the period 1 January 2019 to 31 October 2020. This was the first audit regarding decentralized digital initiatives in UNDP.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) Meetings with all parties involved in the audit were done virtually, limiting the audit team's observation of auditees' interaction and dynamics.

Overall audit rating

OAI assessed the Office's performance as **fully satisfactory**, which means "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

Key recommendations: Total = **3**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are three medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address: the suboptimal process used to assess/support/promote local developed applications to corporate level and the suboptimal use of capacities existing outside of Headquarter units regarding development / use of applications that (can) solve business problems and/or address local issues.

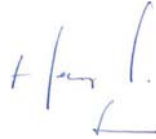
The three recommendations aim to ensure the achievement of the organization's strategic objectives.

Management comments and action plan

The Chief Digital Officer and the Chief Information Officer accepted all three recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.



Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.



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